TEMPORARY ADDENDUM DOCUMENT

INTRODUCTION

On January 22, 2013, HUD issued Notice PIH 2013-03 to acknowledge and address the budget and staff constraints that many PHAs have faced in recent years. The notice provides three optional methods to reduce administrative burden, which are addressed below.

HUD posted Frequently Asked Questions (FAQs) about the notice on March 1, 2013.

On November 5, 2013, HUD issued Notice PIH 2013-26 to extend for an additional year the temporary compliance provisions described in Notice PIH 2013-03. Originally set to expire on March 31, 2014, the notice will now remain effective until March 31, 2015.

Before implementing any of the temporary policy options, the GBHA must notify HUD by email. The email must state which of the three options will be implemented.

The GBHA must revise its admissions and continued occupancy policies (ACOP) before any of the temporary policies are implemented. This document, with board approval, contains the GBHA's policies for implementation. The GBHA must also evaluate whether adoption of any of the temporary policies would constitute a significant amendment to its annual plan, and must revise the annual plan if necessary.

The temporary provisions that an agency may adopt include:

> Option 1: Allow option to use participants' past income in verifying income. This option may simplify the verification process by eliminating the need for family-provided documents, such as pay stubs, in some situations.

> Option 2: Allow households to self-certify assets of $5,000 or less. Due to the imputed asset calculation, assets with a value of $5,000 or less have little to no impact on TTP. The notice allows agencies to accept a self-certification to save administrative time.

> Option 3: Allow optional streamlined annual reexaminations for elderly families and disabled families on fixed incomes. For elderly and disabled families whose income is limited to such fixed sources as Social Security or a pension, the agency can reduce administrative time by simply updating income on an annual basis for any cost of living adjustments. If the family has other sources of income that are not fixed a streamlined reexamination would not be an option.

HUD has clarified that Option 1 and Option 3 are mutually exclusive. Therefore, the GBHA may not implement both options.

Policies contained in this temporary addendum will override existing ACOP policies until March 31, 2015.

OPTION 1: USE OF ACTUAL PAST INCOME
HUD requires that the use of actual past income must be based on income received during the most recent 12-month period shown in the EIV system. This same 12-month period must be used to determine annual income from non-EIV income sources, such as TANF.

The option must be applied to all resident families. However, anticipated future income must be used to determine annual income:

- For all applicant families
- At the family's request, and
- When the family's declared income differs substantially from EIV data

For past income show in the family's EIV report, no additional verification is required unless the family requests use of anticipated income, or there is a substantial difference between the EIV data and family-declared income.

> GBHA Policy
> The GBHA will implement Option 1, and will comply with all HUD requirements listed above.
>
> Actual past income will be used to determine annual income for resident families. Anticipated future income will be used to determine annual income for applicant families.
>
> The GBHA will use anticipated future income to determine annual income at the family's request.
>
> For income sources shown in the EIV system, the GBHA will compare the income declared by the family to the most recent 12 months of EIV data. If there is a substantial difference of $200 per month of more, the GBHA will revert to using projected future income and will follow current verification procedures to establish annual income.
>
> If the EIV data does not differ substantially from family-declared income, no additional verification is required and annual income is based on the EIV data.
>
> For income sources that are not available in EIV, the GBHA will request tenant-provided documents generated by a third-party as verification of income for the 12-month period. If such documents are not available, the GBHA will accept a signed tenant declaration.

OPTION 2: SELF-CERTIFICATION OF ASSETS OF $5,000 OR LESS

This option permits the GBHA to temporarily accept family self-certification of assets when the total net value of the family's assets does not exceed $5,000. The option reduces administrative burden by eliminating the time-consuming verification process for assets which have minimal impact on the family's subsidy level.

The family's self-certification on application and reexamination forms may be accepted when all adult family members sign the applicable form.

The GBHA must continue to report all assets on Form HUD-50058, including assets of families with net assets which do not exceed $5,000.

If the family's assets exceed $5,000 in net value, the GBHA must verify the assets according to existing GBHA policy.

> GBHA Policy
> The GBHA will not implement Option 2.

OTPION 3: STREAMLINING OF ANNUAL REEXAMINATIONS FOR ELDERLY AND DISABLED FAMILIES ON FIXED INCOMES

Option 3 is intended to reduce administrative burden by permitting the GBHA to streamline some of its annual reexaminations.

Under this option, the GBHA will temporarily bypass its existing policies on verification of income. The option is only applicable to families:

- Whose head, spouse or cohead is either at least 62 years old or disabled, AND
- Who received income only from fixed income sources

Fixed income sources include Social Security and SSI, governmental or private pensions, and other periodic payments that are of substantially the same amounts from year to year.

In a streamline annual reexamination, the GBHA calculates annual income by applying any published cost of living adjustment (COLA) to the previously verified income amount.

GBHA Policy
The GBHA will not implement Option 3.